Sustainable Resource Development

BUSINESS PLAN 2007-10

ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2007 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of March 26, 2007 with material economic or fiscal implications of which I am aware have been considered in preparing the business plan.

The Ministry's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

original signed by

Ted Morton, *Minister of Sustainable Resource Development*
March 28, 2007

THE MINISTRY

The Ministry of Sustainable Resource Development consists of the Department of Sustainable Resource Development, the Natural Resources Conservation Board and the Environmental Protection and Enhancement Fund. The Ministry also includes the Surface Rights Board and the Land Compensation Board, which are included in the department's consolidated financial statements for reporting purposes. As the province's primary manager of public lands, forests, fish and wildlife, the Ministry works with industries, communities and Albertans to provide integrated resource policy, allocate resources, and assure resource stewardship.

VISION

Alberta's lands, forests, fish and wildlife benefit present and future Albertans.

MISSION

Sustainable Resource Development encourages balanced and responsible use of Alberta's natural resources through the application of leading practices in management, science, and stewardship.

LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

Government of Alberta Goal 1: Alberta will have a prosperous economy
Sustainable Resource Development links to this government goal through its work to develop a Land-use Framework and implement aggressive strategies to protect the health of Alberta's forests, particularly from mountain pine beetle infestation. Sustainable Resource Development also supports this goal with its many strategies to promote balanced and responsible use of Alberta's land, forests, fish and wildlife to sustain them for future generations and support economic development.

Government of Alberta Goal 3: The high quality of Alberta's environment will be sustained
Sustainable Resource Development links to this government goal through its work to develop a biodiversity strategy and advance the Sustainable Resource and Environmental Management initiative. A biodiversity strategy will help conserve biological diversity and enable sound management of Alberta's natural resources on a sustainable basis. Sustainable Resource and Environmental Management will enable integrated management policies and regulatory processes, and improve coordination and integration of inter-departmental operations.

Government of Alberta Goal 7: Alberta will be a safe place to live, work and raise families
Sustainable Resource Development links to this government goal through its work to protect Alberta's forests and forest communities from wildfire.

Government Priority: Manage Growth Pressures
Sustainable Resource Development supports this Government Priority through its work to develop a provincial Land-use Framework. The framework will address conflicts over competing use of land and provide a vision for an integrated, sustainable, land-use approach that balances economic, environmental and social concerns.

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Maintaining Alberta's dynamic economy over the long term is the direct result of the sustainable management of the province's natural resources. This management requires balance among the environmental, economic and social benefits Albertans receive from these resources.

Sustainable Resource Development will seek to take advantage of the following opportunities over the next three years:

Land-use Framework: Sustainable Resource Development is working with other ministries to complete the Land-use Framework to address conflicts over competing use of land and provide a vision for an integrated sustainable land-use approach that balances economic, environmental and social concerns.

Sustainable Resource and Environmental Management: Sustainable Resource Development will collaborate with Energy, Environment, and other provincial government ministries to achieve a coordinated approach to:

- managing Alberta's natural resources;
- minimizing the industrial footprint on the landscape, supporting future resource-based opportunities, and maintaining ecological integrity and biodiversity;
- harmonizing sustainable resource and environmental management standards through an integrated, cross-ministry approach and a formalized stakeholder consultation process; and
- developing environmental and resource information systems within government and with external information providers that enable access to information necessary for deciding how Alberta's environment and natural resources should be used.

Public Information, Education and Outreach: Sustainable Resource Development will continue to pursue an outreach program to provide Alberta's youth, educators, resource sector clients, the media, and the general public with information on the Ministry and stewardship of Alberta's natural resources.

Challenges influencing the strategic direction of the Ministry include:

Managing Growth Pressures: Alberta's strong economy is fueling rapid industrial and commercial development on public land. The volume of disposition approvals to use public land combined with the complexity of integrating all the activities on the land is increasing the need for more planning and consultation. At the same time, Albertans require access to public land for a wide spectrum of recreation activities (e.g., hunting, fishing, nature appreciation, and off-road vehicle use).

Managing Resource Development and the Environment: Albertans rely on the Ministry to make decisions on using this province's land, forests, fish and wildlife in a way that sustains them for future generations and supports economic development. Considering the current pace of development, the Ministry is challenged to ensure it has the right policies and decision-making tools in place to ensure the best decisions are made regarding natural resource use and development.

Mountain Pine Beetle: Mountain pine beetles are threatening the health of Alberta's forests. An unprecedented massive flight of these beetles into northwestern Alberta late last July has resulted in a significantly higher number of beetle-infested trees than expected. This is in addition to the gradual encroachment of beetles from British Columbia. Aggressive action must be taken to protect the health of Alberta's forests and forest industry.

Natural Environmental Trends: Outbreaks of pests such as spruce budworm and grasshoppers require aggressive strategies to protect the health of Alberta's forests and significantly impact how the Ministry manages the landscape. Changing environmental conditions over which the Ministry has little or no control, such as flooding and drought, can affect land use and the risk of wildfire and insect infestation, as well as fish and wildlife populations and their natural communities.

Forest Industry Competitiveness: The value of the Canadian dollar, global market pressures, and increased energy and transportation costs are all serving to affect the competitiveness of Alberta's forest products industry. Meanwhile, North American housing markets are beginning to slow, and warnings of this trend continuing are apparent.

Building Organizational Capacity: Alberta employers are facing challenges in attracting qualified workers to fill job vacancies and retain existing employees. Whether retaining senior staff or hiring seasonal workers for wildfire or mountain pine beetle operations, Sustainable Resource Development faces the same recruitment and retention challenges as other Alberta employers in this province's tight job market.

STRATEGIC PRIORITIES 2007-10

Through the Ministry's review of external and internal challenges, the strategic priorities described below have been identified. These are in addition to the important ongoing core business of the Ministry.

GOVERNMENT PRIORITY – MANAGE GROWTH PRESSURES

1. **Land-use Framework**

   Linkage:
   Goals 1, 2, 3, 4 and 5

   Complete the Land-use Framework for the province to address conflicts over competing use of land and provide a vision for an integrated sustainable land-use approach that balances economic, environmental and social concerns.

2. **Biodiversity Strategy**

   Linkage:
   Goals 1, 2, 3 and 4

   Develop a biodiversity strategy to conserve biological diversity and enable sound management of Alberta's natural resources on a sustainable basis.

3. **Sustainable Resource and Environmental Management**

   Linkage:
   Goals 1, 2, 3 and 4

   Continue to work with Environment, Energy and other ministries and stakeholders to develop integrated sustainable resource and environmental management policies, regulatory processes and improved coordination/integration of interdepartmental operations.

GOVERNMENT PRIORITY – BUILD A STRONGER ALBERTA

4. **Forest Health**

   Linkage:
   Goals 1, 2, 3 and 4

   Implement aggressive actions to protect the health of Alberta's forests, particularly from mountain pine beetle infestation.

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

The Ministry of Sustainable Resource Development has four core business areas:

- Lands
- Forests
- Fish and Wildlife
- Quasi-judicial Land-use and Compensation Decisions

The department is responsible for delivering the first three, and the Ministry's three boards (Natural Resources Conservation Board, Surface Rights Board, and Land Compensation Board) deliver its fourth core business. Support in delivering these core businesses is provided by Communications, Corporate Business Support, Environmental Law, Finance and Administration, and Human Resources.

Core Business One: Lands

The Ministry manages the demands of multiple stakeholders using Alberta's public land by integrating planning and management best practices to sustain the benefits Albertans receive from their natural resources and public lands.

GOAL ONE

1 Alberta's public lands, including rangelands and shore lands, are healthy, productive and sustainable

What it means Alberta's public lands are managed to optimize and sustain their current and long-term economic, environmental and social values. They are managed through sound decisions that balance multiple uses including: energy development, forest operations, grazing, recreation and others.

Strategies

1.1 Complete the Land-use Framework for the province to address conflicts over competing use of land and provide a vision for an integrated sustainable land-use approach that balances economic, environmental and social concerns.

1.2 Manage public lands in a manner that integrates and balances a diversity of uses and natural resource values.

1.3 Provide legislative and land management frameworks that enable sustainable use and development of public land to optimize the benefits Albertans receive from this resource.

1.4 Develop and implement policies, guidelines and practices that minimize the footprint of industrial, commercial and public activity on public land.

1.5 Ensure land decisions are made in a timely, effective manner, with appropriate and relevant conditions.

1.6 Monitor existing land dispositions for compliance with relevant conditions and legislation to ensure sustainable development and environmental protection.

1.7 Support sustainable land management practices and decisions through coordinated inventories, knowledge transfer and applied research programs.

1.8 Offer long-term, secure public rangeland grazing that promotes sustainable resource management.

1.9 Work with agricultural disposition holders to assess, strengthen and sustain riparian* zone health.

1.10 Consult with First Nations regarding land use and authorizations for oil and gas activities that have the potential to adversely impact First Nations rights and traditional use of Crown lands.

* The riparian zone is the interface between land and a surface water body.

Performance Measures	Last Actual (2005-06)	Target 2007-08	Target 2008-09	Target 2009-10
1.a **Timely, Efficient Disposition Decisions**				
• Average number of working days for completing industrial dispositions	21.6	<20	<20	<20
• Average number of working days for completing geophysical approvals	7.1	<10	<10	<10
1.b **Public Rangeland Allocation** Animal unit months[1] allocated (millions)	1.7	1.6	1.6	1.6
1.c **Rangeland Sustainability** Percentage of rangeland leases in good standing	92%	90%	90%	90%

Note:

1 An animal unit month is defined as the amount of forage required to feed one animal unit (one cow with calf at side) for 30 days. This amount is approximately 1,000 pounds of forage dry matter.

Core Business Two: Forests

The Ministry provides leadership and guidance to ensure the multiple benefits received from the province's forests are realized by using the best possible forest management, wildfire management and forest industry practices.

GOAL TWO 2 Alberta's forests and forest communities are protected from wildfires

What it means By managing wildfires, the Ministry protects the multiple benefits received from forests within the Forest Protection Area of the province. The Forest Protection Area is the area in which the Ministry has the legislated mandate to manage, suppress and control wildfires. Wildfires are managed by: working cooperatively with municipalities, industry, and other stakeholders; supporting outreach programs that promote responsible forest management; and using the best possible science and technology to prevent and suppress wildfires.

Strategies

2.1 Provide a preparedness framework that enables the province to respond to wildfires in the province's Forest Protection Area. Key elements of the framework include effective policies, readiness, training, prevention, detection and early response.

2.2 Reduce the risk and damage caused by wildfires by incorporating FireSmart* practices and principles in cooperation with the public, industry and local governments.

2.3 Respond to wildfires through a management regime that quickly contains and suppresses wildfires within the Forest Protection Area to minimize related losses.

2.4 Encourage wildfire prevention in Alberta's forests through information, education, outreach and monitoring.

2.5 Consult with First Nations regarding wildfire management activities that have the potential to adversely impact First Nations rights and traditional use of Crown lands.

* FireSmart is a program that provides Albertans with information to protect themselves, their property and the forest from wildfire.

Performance Measures	Last Actual (2005-06)	Target 2007-08	Target 2008-09	Target 2009-10
2.a **Detection** Detected wildfires reported within five minutes[1]:				
• By Lookout	97%	90%	90%	90%
• By Air	99%	90%	90%	90%
2.b **Response** Wildfires actioned before they reach 2.0 hectares in size[1]	92%	90%	90%	90%
2.c **Containment and Suppression** Wildfires contained within the first burning period[2]	98%	85%	85%	85%

Notes:

1 Performance data is based on wildfires occurring between April 1 and October 31 in the Forest Protection Area.

2 *First burning period* means contained by 10 a.m. the day following when first reported.

GOAL THREE 3

Alberta's forests and forest landscapes support healthy ecosystems and vibrant communities

What it means The multiple benefits received from the province's forests and forest landscapes are protected by managing forests effectively and protecting their health; using leading policy, regulation, legislation and science; collaborating with stakeholders; and supporting education and outreach programs that promote responsible use.

Strategies

3.1 Manage Alberta's forests and forest landscapes through a policy, legislative, consultation and regulatory framework that optimizes the benefits Albertans receive from forests and forest lands.

3.2 Implement aggressive actions in Alberta's forests to manage infestations of disease, weed pests and insects such as the mountain pine beetle, in cooperation with industry and municipal and federal governments.

3.3 Sustain Alberta's forests through adaptive forest management planning and practices by government and industry, along with appropriate compliance, assurance and reporting mechanisms.

3.4 Encourage leading practices in stewardship in Alberta's forests through information, education, outreach and monitoring.

3.5 Support efforts to increase the knowledge and research capacity required to expand opportunities for value-added processing.

3.6 Ensure Albertans receive a fair return consistent with the resource's value for use of fibre produced on forested public lands.

3.7 Consult with First Nations regarding forest management activities and authorizations for timber harvesting that have the potential to adversely impact First Nations rights and traditional use of Crown lands.

Performance Measures	Last Actual (2005-06)	Target 2007-08	Target 2008-09	Target 2009-10
3.a **Timber Allocation**[1]				
• Annual allowable cut (in million cubic metres)	24	Harvest does not exceed annual allowable cut		
• Harvest (in million cubic metres)	20			

Note:

1 Data for this measure is calculated as a five-year rolling average based on the timber year (May to April).

A measure of reforestation rate in harvested areas was introduced in 2005-08 following a preliminary review of sample data. During collection of 2005-06 actual results, the Ministry determined that additional work was needed to confirm the integrity of the data. This work is ongoing and results and targets will not be published until it is concluded.

Core Business Three: Fish and Wildlife

The Ministry manages fish and wildlife species based on the best available science and integrated decision-making processes. The sound stewardship of fish and wildlife resources facilitates consumptive (fishing and hunting) and non-consumptive recreation opportunities compatible with healthy, diverse fish and wildlife populations.

GOAL FOUR 4 Alberta's fish and wildlife resources and their habitats are healthy, productive and sustainable

What it means Alberta's fish and wildlife resources and natural communities are conserved, restored and enhanced for the benefit of current and future generations through a comprehensive set of strategies for Alberta's aquatic and terrestrial environments.

Strategies

4.1 Manage fish and wildlife through a policy and legislative framework that optimizes the benefits Albertans receive from these resources.

4.2 Encourage leading practices in habitat conservation through expanded partnerships with conservation agencies, industry, government and academia.

4.3 Develop and implement fish and wildlife management plans and species-at-risk initiatives.

4.4 Maintain high levels of compliance with and ensure timely and effective responses to contravention of fish and wildlife legislation by delivering appropriate public education and outreach programs, providing prevention and enforcement programs, and monitoring the use of fish and wildlife resources.

4.5 Minimize adverse human-wildlife interactions that result in threats to human safety or property damage by providing assistance and information to landowners and the general public.

4.6 Detect, diminish and manage threats from wildlife diseases and invasive alien species through collaboration with appropriate stakeholders.

4.7 Implement Water for Life: Alberta's Strategy for Sustainability by establishing place-based objectives and priorities that sustain and protect healthy aquatic ecosystems, in coordination with other Government of Alberta ministries.

4.8 Work with the Alberta Conservation Association to develop a yearly strategic plan based on confirmed work priorities.

4.9 Identify and initiate critical actions to develop a biodiversity strategy (e.g., planning, delivery and monitoring).

4.10 Consult with First Nations regarding fish and wildlife management changes that have the potential to adversely impact First Nations rights and traditional use of Crown lands.

Performance Measures	Last Actual (2005-06)	Target 2007-08	Target 2008-09	Target 2009-10
4.a **Healthy Sustainable Wildlife Populations** Percentage of Species at Risk	2.2%	<5%	<5%	<5%
4.b **Benefits from Wild Species** Percentage of Albertans who reported watching and enjoying wildlife	41%[1]	>40%	>40%	>40%

Note:
1 Focus Alberta 2005 survey

Core Business Four: Quasi-judicial Land-use and Compensation Decisions

Reporting to the Minister of Sustainable Resource Development, the Ministry's three quasi-judicial boards make their decisions independently, in accordance with their own governing legislation. **The Natural Resources Conservation Board** conducts independent public reviews of major, non-energy, natural resource projects and also regulates new or expanding confined feeding operations. The **Surface Rights Board** conducts hearings when operators and landowners or occupants fail to agree on entry or compensation related to resource activity on privately owned lands or occupied public lands. The **Land Compensation Board** establishes compensation when private land is expropriated by a public authority for projects in the public interest.

GOAL FIVE 5

Albertans have access to timely, quasi-judicial processes that consider the collective and individual benefits derived from Alberta's natural resources

What it means Albertans receive fair and timely hearings from administrative tribunals on disputes involving land-use issues.

Strategies

5.1 Provide opportunities for all Albertans to participate in and understand review and hearing procedures.

5.2 Encourage the use of alternative dispute resolution where appropriate.

5.3 Deliver timely and effective reviews and hearings, and ensure the resulting documents and reports are issued in a timely manner.

Performance Measure	Last Actual (2005-06)	Target 2007-08	Target 2008-09	Target 2009-10
5.a **Timeliness of decision processes** Percentage of decisions issued within established timelines[1]:				
• Reviews under the *Natural Resources Conservation Board Act*	100%[2]	100%	100%	100%

Notes:

1 New methodology will be applied to develop a timeliness measure in each of the three boards. Each board will establish a benchmark for assessing the efficiency of its decision processes and collect the necessary data throughout the year. The format was changed to emphasize the importance each board places on meeting the needs of Albertans by delivering an efficient and effective process for adjudicating land-use conflicts. Timelines are being reviewed for issuing decisions on confined feeding operations under the *Agriculture Operations Practices Act*. Timelines are also being reviewed for issuing Surface Rights Board and Land Compensation Board decisions.

2 In 2005-06, the target for issuing decisions on *Natural Resources Conservation Board Act* reviews was 80 days.

EXPENSE BY CORE BUSINESS

(thousands of dollars)

	Comparable					
	2005-06 Actual	2006-07 Budget	2006-07 Forecast	2007-08 Estimate	2008-09 Target	2009-10 Target
Lands	48,498	58,976	57,868	63,286	63,457	63,356
Forests	198,866	117,290	365,965	218,646	170,756	172,587
Fish and Wildlife	48,842	52,195	52,731	61,336	60,421	63,114
Quasi-judicial Land-use and Compensation Decisions	9,040	9,077	9,077	9,359	9,629	9,849
Environment Statutory Programs	3,457	3,725	3,725	3,775	2,675	2,675
MINISTRY EXPENSE	308,703	241,263	489,366	356,402	306,938	311,581

MINISTRY STATEMENT OF OPERATIONS
(thousands of dollars)

	Comparable					
	2005-06 Actual	2006-07 Budget	2006-07 Forecast	2007-08 Estimate	2008-09 Target	2009-10 Target
REVENUE						
Transfers from Government of Canada	5,241	4,093	22,477	56,113	44,513	5,513
Investment Income	3,721	2,625	2,625	2,625	2,625	2,625
Premiums, Fees and Licences	153,495	148,960	114,490	108,625	112,225	117,525
Other Revenue	19,073	5,198	5,327	4,098	4,098	4,098
MINISTRY REVENUE	181,530	160,876	144,919	171,461	163,461	129,761
EXPENSE						
Program						
Forestry	192,811	112,005	358,008	211,846	164,395	166,114
Lands	47,495	56,282	56,610	61,318	61,093	60,980
Fish and Wildlife	47,305	49,812	51,584	59,428	58,170	60,747
Quasi-judicial Land-use and Compensation Decisions	9,040	9,077	9,077	9,359	9,629	9,849
Ministry Support Services	7,377	9,307	9,307	9,621	9,921	10,161
Environment Statutory Programs	3,457	3,725	3,725	3,775	2,675	2,675
Valuation Adjustments and Other Provisions	1,218	1,055	1,055	1,055	1,055	1,055
MINISTRY EXPENSE	308,703	241,263	489,366	356,402	306,938	311,581
Gain (Loss) on Disposal and Write Down of Capital Assets	1,984	4,000	4,000	4,000	4,000	4,000
NET OPERATING RESULT	(125,189)	(76,387)	(340,447)	(180,941)	(139,477)	(177,820)

CONSOLIDATED NET OPERATING RESULT
(thousands of dollars)

	Comparable					
	2005-06 Actual	2006-07 Budget	2006-07 Forecast	2007-08 Estimate	2008-09 Target	2009-10 Target
Ministry Revenue	181,530	160,876	144,919	171,461	163,461	129,761
Inter-ministry consolidation adjustments	(255)	-	-	-	-	-
Consolidated Revenue	181,275	160,876	144,919	171,461	163,461	129,761
Ministry Expense	308,703	241,263	489,366	356,402	306,938	311,581
Inter-ministry consolidation adjustments	(3,712)	(3,725)	(3,725)	(3,775)	(2,675)	(2,675)
Consolidated Expense	**304,991**	**237,538**	**485,641**	**352,627**	**304,263**	**308,906**
Gain (Loss) on Disposal and Write Down of Capital Assets	1,984	4,000	4,000	4,000	4,000	4,000
CONSOLIDATED NET OPERATING RESULT	(121,732)	(72,662)	(336,722)	(177,166)	(136,802)	(175,145)

CAPITAL INVESTMENT BY PROGRAM
(thousands of dollars)

	Comparable					
	2005-06 Actual	2006-07 Budget	2006-07 Forecast	2007-08 Estimate	2008-09 Target	2009-10 Target
Forestry	12,954	37,053	38,053	30,053	27,053	13,653
Lands	1,918	1,102	1,102	1,102	1,102	1,702
Fish and Wildlife	1,010	782	782	782	782	1,382
Quasi-judicial Land-use and Compensation Decisions	33	17	17	17	17	17
Ministry Support Services	43	40	40	40	40	40
MINISTRY CAPITAL INVESTMENT	15,958	38,994	39,994	31,994	28,994	16,794